

## **WORKERS COMPENSATION INSURANCE FUND**

This fund is used to account for the provision of workers compensation insurance. In previous years, workers compensation was accounted for in the Health Benefits Fund, which is now the Health Insurance Fund. The County had used a premium-based insurance plan from the NC Association of County Commissioners. In FY 2011, the Board of Commissioners established this self-insurance plan for workers compensation.

This is an insurance plan in which the County takes on some aspects of self-insurance. A third-party administrator is hired to administer the plan, investigate claims, represent the County at NC Industrial Commission hearings, and assist us with those few claims requiring legal advice. In this case, the County uses Compensation Claims Solutions of Concord, NC. Then, the County pays directly all legitimate claims. To protect from major losses, specific stop-loss insurance is also purchased.

Each department budgets for premiums to pay for this program. Those amounts are then transferred on each payroll date to this fund and become the revenue source for this fund. The expenses of the plan listed above are paid from this fund.

At present, this fund is stable, and there are signs of continued recovery from a poor year in FY13. Staff is hopeful that efforts to improve the County's safety program combined with proactive claims management will continue to hold costs associated with Worker's Compensation in line.

COUNTY OF LINCOLN, NORTH CAROLINA  
WORKERS COMPENSATION FUND  
FY 2015 BUDGET

Account Number	Account Description or Title	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Thru 2/28/14	FY 2014 Projected	FY 2015 Requested	FY 2015 Recommended
<b>OPERATING REVENUES:</b>								
81-3420-4432-0003	Workers' Comp Premiums	\$ 442,646	\$ 453,795	\$ 499,500	\$ 349,116	\$ 499,500	\$ 524,475	\$ 524,475
81-3420-4490	Interest Income	334	587	1,000	148	500	500	500
81-3420-4890	Other Revenues	203	-	-	-	-	-	-
	<b>TOTAL OPERATING REVENUES</b>	<b>443,183</b>	<b>454,382</b>	<b>500,500</b>	<b>349,264</b>	<b>500,000</b>	<b>524,975</b>	<b>524,975</b>
<b>OPERATING EXPENSES:</b>								
81-4200-5482-0000	Administrative Fees	60,747	74,992	70,000	96,534	100,000	80,000	80,000
81-4200-5482-0002	Insurance Consultant	4,000	4,000	4,000	4,000	4,000	4,000	4,000
81-4200-5482-0004	Workers' Comp Claims	883,695	172,204	325,000	161,830	275,000	325,000	325,000
	<b>TOTAL OPERATING EXPENSES</b>	<b>948,442</b>	<b>251,196</b>	<b>399,000</b>	<b>262,364</b>	<b>379,000</b>	<b>409,000</b>	<b>409,000</b>
<b>RESERVE</b>								
81-4200-5760-0000	Reserve	-	-	101,500	-	121,000	115,975	115,975
	<b>TOTAL RESERVE</b>	<b>-</b>	<b>-</b>	<b>101,500</b>	<b>-</b>	<b>121,000</b>	<b>115,975</b>	<b>115,975</b>
	<b>TOTAL OPERATING EXPENSES AND RESERVES</b>	<b>948,442</b>	<b>251,196</b>	<b>500,500</b>	<b>262,364</b>	<b>500,000</b>	<b>524,975</b>	<b>524,975</b>